Housing Starts and New House Prices

Alberta housing starts down in January…

New housing starts were down 5.9% in January to 19,300 units (seasonally adjusted at annual rates), the lowest level since June 2009. On a year-over-year basis, new housing starts in Alberta were down by 21.5%. The softening experienced in the latter part of 2010 continued into 2011.

For Canada, annualized monthly housing starts in January were 170,400 units, up from 169,000 units in December (0.8%). This increase was primarily due to strong increases in Nova Scotia (64.3%) and Ontario (10.8%), which were large enough to offset the declines in some other regions such as Manitoba (-40%), Prince Edward Island (-27.3%) and Saskatchewan (-18.7%).

Alberta Home Prices remain unchanged …

There was no change in new home prices in Alberta in December as both land prices and house prices remained the same. Prices were 1% above the December 2009 level. In Edmonton, prices were down 0.1% while prices in Calgary increased 0.1%.

Nationally, new home prices rose 0.1% in December and were 2.1% higher than December 2009.

Building Permits

Value of building permits up in December…

The value of building permits in Alberta rose 0.2% in December to over $879 million (seasonally adjusted), due to a 7.1% increase in the residential sector. The non-residential sector decreased 6.8% as declines in commercial (24.3%) and institutional and governmental (23.0%) permits more than offset a 41.8% rise in industrial permits. On a year-over-year basis, the value of building permits in Alberta was 28.5% lower than December 2009.

Nationally, contractors took out $5.7 billion in building permits in December, up 2.4% from November. On a year-over-year basis, there was a 5% decrease in building permits.

Canadian Dollar (US¢/C$)	
February 11, 2011	100.98
February 4, 2011	101.00
2010-11 YTD	97.88
WTI Oil US$/bbl	
February 11, 2011	$85.58
February 4, 2011	$89.03
2010-11 YTD	$81.07
Nymex Natural Gas C$/MMBtu*	
Near-month Contract	
February 11, 2011	$3.90
February 4, 2011	$4.27

*Estimate based on Nymex Futures Market Price

International Merchandise Trade

Canada's trade balance returns to surplus …

Canada's merchandise trade balance went from a deficit of $115 million in November to a surplus of $3 billion (seasonally adjusted) in December, the first trade surplus since February 2010. Exports increased 9.7% to $37.8 billion in December as export volumes were up 6.6% and prices rose 2.9%. The gain in exports was mainly in energy products which increased 25.1% to $8.6 billion and accounted for over half of the growth. Imports edged up 0.7% to $34.6 billion in December as import prices rose 0.4 and volumes increased 0.3%.

Overall in 2010, the trade deficit increased to $7.2 billion from $4.6 billion in 2009.

US Economy

Trade Balance deteriorates …

The trade deficit was up 6.0% to $40.6 billion in December due to a rise in import of petroleum products. Excluding petroleum products, trade deficit improved.

Overall in 2010, the trade deficit increased to $497.8 from $374.9 billion in 2009.

Current Economic Indicators

Population	2009	2010YTD*	2011YTD*	Aug	Sep	Oct	Nov	Dec	Jan
Population [1] (000's) (level)	3,671	3,721	3,735	--	--	3,735	--	--	--
% change	2.2	1.4	1.4	--	--	1.4	--	--	--
Net Interprovincial Migraton [1] (level)	13,184	-2,183	1,155	--	--	1,155	--	--	--
Net International Migration [1] (level)	16,835	21,533	6,361	--	--	6,361	--	--	--
Net Non-permanent Residents [1] (level)	19,162	-77	-1,643	--	--	-1,643	--	--	--
Labour Market									
Employment[2] (000's)	2,025	2,017	2,054	2,024	2,021	2,038	2,033	2,032	2,054
% change[2]	-1.3	-0.4	2.3	0.3	0	1.6	0.9	0.5	2.3
Unemployment Rate[2] (%)	6.6	6.5	5.9	6.5	6.2	5.9	5.6	5.5	5.9
Participation Rate[2] (%)	74.3	72.9	72.9	72.9	72.5	72.8	72.4	72.2	73.2
Average Weekly Earnings ($)	950.13	993.00	--	999.86	996.80	1009.35	1016.27	--	--
% change	2.9	4.5	--	7.0	4.6	6.3	5.6	--	--
Price Indices									
Consumer Price Index	-0.1	1.0	--	0.6	0.9	1.2	0.1	0.8	--
Excluding food and energy	1.4	0.8	--	0.5	0.2	0.5	0.4	0.4	--
Non-Res. Cons. Cost Index [3] (quarterly)	-9.8	-0.9	--	--	--	--	--	--	--
Farm Product Price Index	-10.6	-5.0	--	3.5	2.9	5.8	3.1	--	--
Crops	-18.9	-15.2	--	-7.8	-7.9	-6	-8.4	--	--
Livestock	-2.8	4.3	--	13.8	14.4	17.6	14.5	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	19.3	23.5	27.6	25.7	21.5	20.5	19.3
% change NEW!	-31.6	33.5	-21.5	13.5	12.2	-14	-28.6	-25.7	-21.5
New Housing Price Index	-9.0	0.5	--	1.4	1.4	1.1	0.9	1	--
Edmonton NEW!	-11.2	-0.8	--	0.6	0.7	1.0	1.0	0.8	--
Calgary	-6.7	1.7	--	2.4	2	1.1	0.8	1.1	--
MLS Average Resale Prices ($ 000's)	340.5	352.3	--	348.4	354.9	347.6	352.7	348.0	--
% change	-3.1	3.5	--	-0.5	0.4	-2	-1	-2.8	--
Edmonton	319.1	328.8	--	329.7	327.7	324.7	329.9	321.4	--
% change	-3.5	2.6	--	2.6	-0.7	-0.6	0	-2.6	--
Calgary	384.3	399.1	--	390.8	409	395.2	401.6	394.9	--
% change	-4.2	3.9	--	-0.8	1.6	-1.5	-0.6	-3.3	--
Retail Sales [4]	-8.3	5.5	--	5.1	6.1	3.9	11.7	--	--
New Motor Vehicle Sales	-21.7	10.2	--	14.8	14.4	1.1	18.0	--	--
Consumer Bankruptcies	9,986	6964.0	--	615	732	700	--	--	--
% change	64.6	-19.6	--	-30.3	-37.1	1.4	--	--	--
Business Sector									
Rigs Drilling	128	207	372	222	177	260	276	269	372
% change	-45.6	61.3	29.6	130.3	59.3	101.4	81.5	18.5	29.6
Goods Exports (customs based)	-36.3	12.1	--	11.4	5.5	6.4	1.5	--	--
Energy	-40.1	16.9	--	12.5	3.2	1.6	-2.6	--	--
Agriculture	-10.2	-9.2	--	-8.4	0.8	6.5	9.6	--	--
Total Farm Cash Receipts (quarterly)	-7.5	-7.1	--	--	--	2.6	--	--	--
Manufacturing Shipments	-23.7	10.3	--	15.2	15.7	16.4	13.7	--	--
Wholesale Trade [5]	-15.9	10.4	--	20.8	20.4	20.6	30.7	--	--
Building Permits	-14.2	2.1	--	3.5	-10.7	-39.3	-17.1	-28.5	--
Residential NEW!	-11.8	24.7	--	-12.1	-19.6	-22.7	-21.4	-19.8	--
Non-residential	-16.3	-19.0	--	39.2	7.2	-52.5	-11.8	-35.2	--
Business Bankruptcies	405	315	--	30	34	24	--	--	--
% change	-9.4	-7.6	--	-22.9	-9.1	-2.9	-27.3	--	--

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* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

1 Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

2 The Employment, Unemployment Rate and Participation Rate series were revised on February 4, 2011 and are no longer comparable with numbers in previous Bulletins

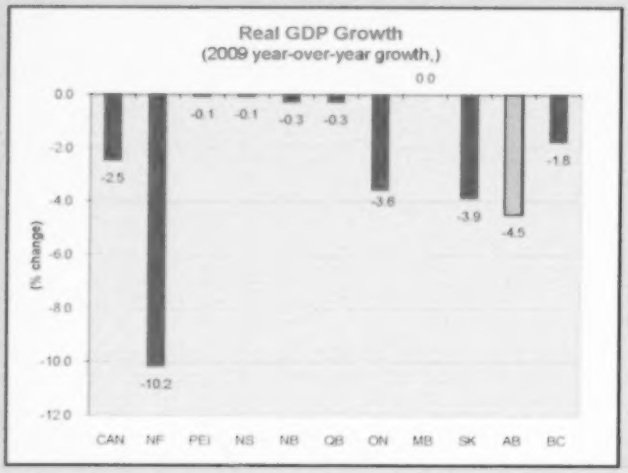
3 Average of Calgary and Edmonton

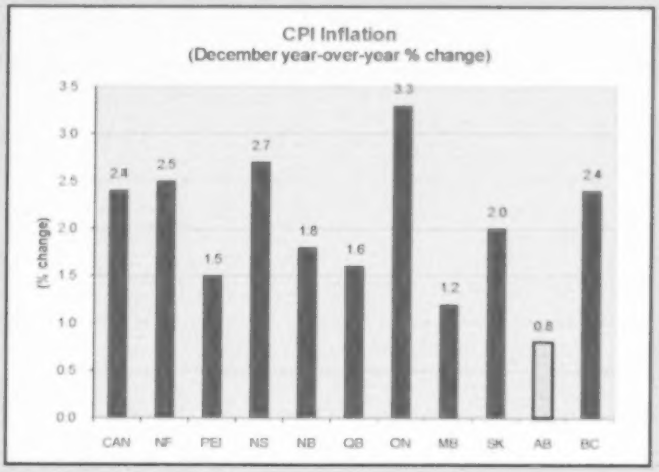
4 The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

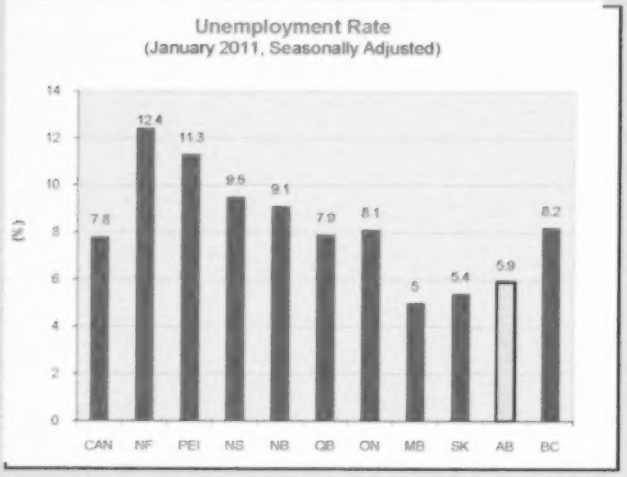
5 The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

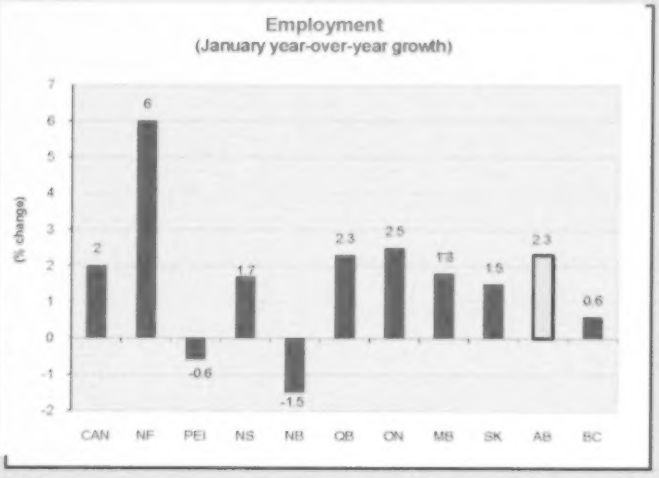
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

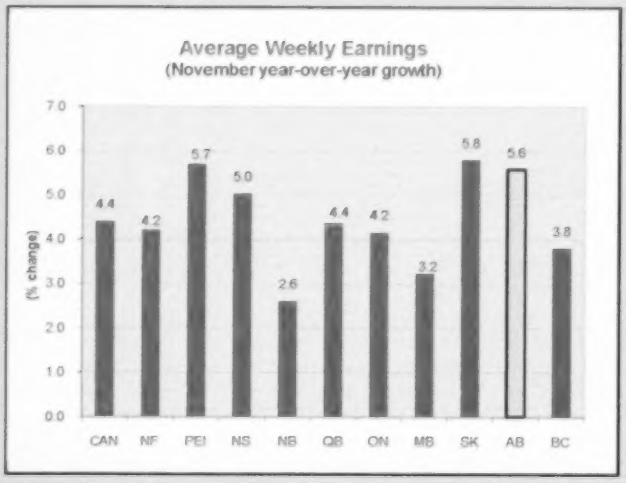
Current Economic Indicators by Province

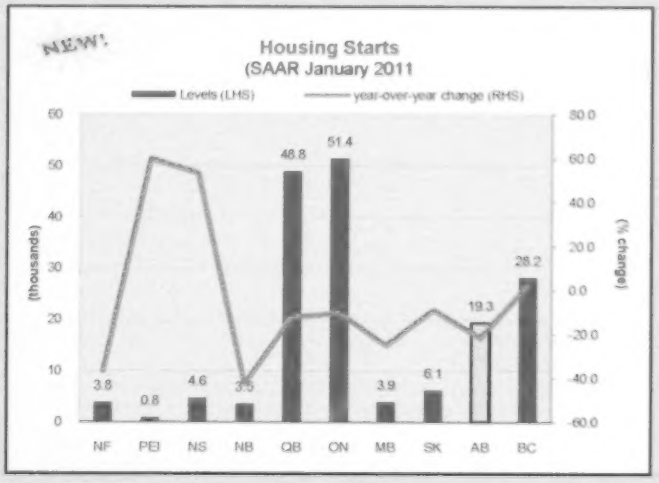












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